

**UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

In re:)	
)	Case No. 19-52862
BHAKTEL, LLC,)	Chapter 11
)	
Debtor.)	
)	
)	
)	

**CELTIC BANK’S OBJECTION TO DEBTOR’S MOTION TO ADMINISTRATIVELY
CLOSE CHAPTER 11 CASE**

Celtic Bank Corporation (“Celtic Bank”) by and through its attorney, Gordon Rees Scully Mansukhani, LLP, hereby files Celtic Bank’s Objection to Debtor’s Motion to Administratively Close Chapter 11 Case (this “Objection”) and, in support thereof, states as follows:

BACKGROUND

1. Prepetition, Bhaktel, LLC (“Debtor”) and Celtic Bank entered into a loan agreement pursuant to which Celtic Bank provided Debtor with a loan in the principal amount of \$1,496,000 secured by real property in Kirksville, MO with an address of 1101 Country Club Dr, Kirksville, MO 63501.

2. On December 2, 2019 (the “Petition Date”), Debtor filed its voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”).

3. On November 12, 2020, the Court entered its Order Confirming Bhaktel, LLC Plan of Reorganization [Docket No. 84] (the “Confirmation Order”). Pursuant to the Confirmation Order, Debtor’s Plan of Reorganization became effective immediately upon entry of the Confirmation Order.

4. As set forth in the Confirmation Order, Celtic Bank was to be paid monthly starting on December 1, 2020 in the amount of \$7,376.92 for thirty (30) months. Thereafter, payments will increase to \$9,685.29 and will continue for thirty (30) months.

5. Since entry of the Confirmation Order, Celtic Bank has received one payment, on December 3, 2020. Debtor has made no other payments to Celtic Bank post-confirmation.

6. On July 1, 2021, Debtor filed its Motion to Administratively Close Chapter 11 Case (the “Motion”) citing substantial consummation giving cause for case closure. For the reasons set forth herein, Debtor’s Motion should be denied.

ARGUMENT

7. Substantial consummation is a statutory measure for determining whether a reorganization plan may be amended or modified by the bankruptcy court. 11 U.S.C. §1127(b).

8. The Fifth Circuit has adopted the bankruptcy code’s “substantial consummation” yardstick because it informs the court’s judgment as to when finality concerns and the reliance interests of third parties upon the plan as effectuated have become paramount to a resolution of the dispute between parties on appeal.” *Matter of GWI PCS I Inc.*, 230 F.3d 788, 800 (5th Cir.2000) (citing *In re Manges*, 29 F.3d 1034, 1041 (5th Cir.1994)).

9. While the standard does not require complete or total consummation, substantial consummation is required. *Gen. Elec. Cap. Corp. v. Torres Concrete Pumping Servs., Inc.*, No. 02-54645-LMC, 2004 WL 885203, at 3 (W.D. Tex. Apr. 15, 2004).

10. Pursuant to 11 U.S.C.A § 1101(2), “substantial consummation” means transfer of all or substantially all of the property proposed by the plan to be transferred; assumption by the debtor or by the successor to the debtor under the plan of the business or the management of all or substantially all of the property dealt with by the plan; and commencement of distribution under

the plan.

11. One of sixty monthly payments owed to Celtic Bank cannot possibly be described as having transferred all or substantially all of the property proposed by the plan.

12. Further, Debtor has provided no documents evidencing that Debtor has made other payments required by Debtor's plan of reorganization.

For the reasons set forth herein, Debtor's Motion to Administratively Close Chapter 11 Case should be denied.

Dated: July 21, 2021

GORDON REES SCULLY MANSUKHANI, LLP

/s/ Megan M. Adeyemo

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ATTORNEYS FOR CELTIC BANK CORPORATION

CERTIFICATE OF SERVICE

I hereby certify that on July 21, 2021, I electronically filed the foregoing with the Clerk of the Court using the ECF system, which sent notification of such filing to the parties set forth in the Electronic Mail Notice List as of the date hereof.

/s/ Anita Soto

Anita Soto